

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Investigation into
Implementation of Assembly Bill 970 Regarding
the Identification of Electric Transmission and
Distribution Constraints, Actions to Resolve
Those Constraints, and Related Matters Affecting
the Reliability of Electric Supply.

Investigation 00-11-001
(Filed November 2, 2000)

**ADMINISTRATIVE LAW JUDGE'S RULING
REQUIRING SUPPLEMENTAL SOLICITATIONS AND
ADDITIONAL CONCEPTUAL TRANSMISSION STUDIES**

A prehearing conference (PHC) was held in Phase 8 of this proceeding on March 5, 2004, to discuss the development and consideration of indirect transmission costs in assessing Renewable Portfolio Standard (RPS) bids, as provided in Decision (D.) 03-06-071 in Rulemaking 01-10-024, the Commission's order initiating implementation of the RPS program.

During the PHC, there was general agreement that the initial focus in this phase should be development of an interim methodology to estimate and consider transmission costs for use during the initial RPS procurement. We discussed which issues should be addressed in the interim methodology and which should be deferred until a later time.

Consistent with discussion at the PHC, I am preparing a proposed interim methodology for development and consideration of transmission costs during the initial RPS procurement, which I will include in a subsequent ruling. I plan to provide that parties may file comments and reply comments on the interim methodology. I plan to then prepare a Proposed Decision, incorporating the

parties' comments as appropriate, for the Commission's consideration and adoption of an interim methodology.

There was agreement at the PHC that the utilities should prepare their transmission cost estimates based on the most recent existing conceptual transmission studies, including the studies prepared for Senate Bill 1038 compliance and submitted on August 31, 2003 in this proceeding.

D.03-06-071 directs that each proposed developer should provide basic interconnection information in this proceeding for the utilities' use in developing transmission cost estimates. We discussed at the PHC that prior solicitations have yielded much of this information but that a supplemental solicitation is needed and that additional conceptual studies may be needed based on solicitation results.

In today's ruling, I require that Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company undertake supplemental solicitations no later than April 2, 2004. These supplemental solicitations should ask developers of eligible renewable energy projects to apply for and fund additional conceptual transmission studies, if needed, for projects that they are interested in developing for consideration in RPS procurement. Such additional studies may be needed, e.g., if there are projects in an area in the utility's service territory that has not been identified previously through prior solicitations or in the Renewable Resources Development Report approved by the California Energy Commission on November 19, 2003. Additional studies may also be needed for projects not in the utility's service territory for which the developer anticipates submitting a bid to the utility.

The supplemental solicitations should also ask developers to identify projects in the utility's service territory for which the developer anticipates

submitting a bid to another utility. While developer funding would be appropriate if new conceptual studies are needed for such projects, the utility may be able to obtain transmission cost estimates using existing studies, with no additional funding requirements.

For consistency, the three companies should coordinate their solicitations to the extent mutually agreeable. The solicitations should specify the types of information each developer should provide for an identified project. Each utility should mail its solicitation to all known project developers and any potential developers of which the utility is aware. Project developers should respond to the solicitations within 15 calendar days of the date of the solicitation.

Based on solicitation responses, the utility should undertake additional conceptual transmission studies, if needed. The utilities should prepare any new conceptual transmission studies in a manner consistent with their existing conceptual studies.

The parties have been given advance electronic notice of this ruling.

Therefore, **IT IS RULED** that:

1. Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) shall undertake supplemental solicitations regarding additional conceptual transmission studies that may be needed to develop transmission cost estimates for use in evaluating initial Renewable Portfolio Standard bids, as described in this ruling.
2. Interested developers of eligible renewable energy projects shall respond to the supplemental solicitations within 15 calendar days of the date of the solicitation.

3. PG&E, SCE, and SDG&E shall undertake additional conceptual transmission studies, if needed, based on responses to the supplemental solicitations.

Dated March 19, 2004, at San Francisco, California.

/s/ CHARLOTTE F. TERKEURST

Charlotte F. TerKeurst
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Administrative Law Judge's Ruling Requiring Supplemental Solicitations and Additional Conceptual Transmission Studies on all parties of record in this proceeding or their attorneys of record.

Dated March 19, 2004, at San Francisco, California.

/s/ KE HUANG

Ke Huang

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.